



**MCI Telecommunications
Corporation**

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December 20, 1996

Mr. William Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

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Re: CC Docket 95-116: Telephone Number Portability
Response To Request For Information

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Dear Mr. Caton:

This letter responds to Bell Atlantic's December 18, 1996, letter regarding query on release (QoR), and responds to the December 17 inquiry made by Susan McMaster, Ph.D., concerning SCP capacity.

It remains undisputed that QoR creates a scenario that allows Bell Atlantic and other incumbent local exchange companies (ILECs) to treat their customers differently than the customers of their competitors. Nevertheless, Bell Atlantic (and other ILECs) continues to make inaccurate and exaggerated cost savings claims for QoR in an attempt to further its overriding goal, which is to ensure that calls to ported numbers for new entrants will be treated differently than calls to its own customers.

First of all, Bell Atlantic admits that there are SCPs that are faster than 450 transactions per second (tps), but that its estimates contain a margin for network equipment failures since it engineers its network based on the assumption that all parts will not work perfectly at all times. MCI's assertion that SCP technology today will support 800 tps was based on the same double failure engineering assumption used by Bell Atlantic. Southwestern Bell's October 21, 1996, representation that its SCP could begin operating at 900 tps was similarly based on double failure engineering assumptions. Additionally, NORTEL's ServiceBuilder SCP platform will in 1997 be perform 500 tps on a single server, and in excess of 1000 tps on a multi-server configuration. Again, those estimates include double failure engineering assumptions.

MCI generally agrees with the proposition that estimates must be based on some standard that allows for equipment failure. It disagrees, however, that the industry and the customers that rely on it must be held hostage as a result. If Bell Atlantic over-engineers its network, MCI and

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other new entrants and their customers should not be required to pay for it. Bell Atlantic simply ignores the fact that SCP technology is rapidly evolving, even on a quarterly basis. It further ignores the fact that faster equipment will be available during the five-year period for which it provided cost estimates. It is therefore far from irrelevant that SCP capacity can grow to 2,000 tps. In a multi-server environment, 1000 tps is available as of October 1997. Although 2000 tps will not be available when portability begins next year, it is undisputed that SCP technology is rapidly evolving, even on a quarterly basis. Indeed, MCI's recalculation of Bell Atlantic's estimates assumed only 800 tsp, even though it is highly likely that before 2001, Bell Atlantic will be able to purchase SCPs with tsp capability of at least 2000. Notwithstanding this, Bell Atlantic's cost estimates assume 450 tps beyond the year 2001. Bell Atlantic thus clearly ignores the true state of technology and its estimates result in greatly exaggerated SCP needs and costs.

Bell Atlantic specifically acknowledges that it failed to include any of the costs of additional SS7 and trunking associated with QoR call set-up in its local routing number (LRN)-QoR cost comparisons. Bell Atlantic's defense of this omission is that the cost to set up calls using QoR are not much greater than the cost of setting up those calls today, and therefore, can be excluded. However, in an exclusive LRN environment, ALL set-up costs associated with calls to ported numbers would be eliminated. Further, with LRN, any SS7 and trunking capacity that will be freed up as customers leave Bell Atlantic's network will become available for network growth. Thus, that network capacity would be free to accommodate other forms of communication such as Internet traffic. If instead, that SS7 trunking capacity is needed to support QoR call set-up, then the cost to set up calls using QoR must be recognized as a associated with QoR, and not associated with LRN. Finally, it is significant that Bell Atlantic cannot dispute or explain away MCI's assertions that switch vendors have confirmed that a significant weakness of QoR is the fact that it has a greater impact than LRN on switch processor capacity at low level of portability.

Bell Atlantic claims that with LRN without QoR, it must build the capacity to perform database look-ups on all local inter-switch calls on the day that portability is introduced. That assertion is preposterous for several reasons. First, customers in 100 per cent of Bell Atlantic's NXXs will not port on the day portability is introduced. Second, deployment in the top metropolitan statistical areas (MSAs) in Bell Atlantic's region will be staggered over an 18-month period, during which time normal capacity upgrades will occur. Third, there will be offsetting decreases in demand that will occur as customers leave Bell Atlantic for other service providers.

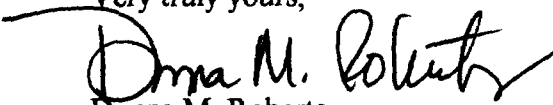
Bell Atlantic's cost comparison assumes that, other than switches that are scheduled for upgrade in 1996, the cost of every switch that would require an upgrade with the addition of LNP should be counted as an LNP cost. So, for example, the cost of an upgrade for a switch that would normally be scheduled to be upgraded in the second quarter of 1997 as a result of normal capacity constraints was assumed to be an LRN cost, even though the switch would not need Mr.

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further upgrade with the addition of LRN in 1998. Another switch might have more capacity by the date portability is implemented than it does today, due to loss of customers to competition, making an upgrade unnecessary, yet Bell Atlantic has assumed the cost of those upgrades as well. BA's failure to account for these possibilities results in exaggerated SCP hardware costs under the LRN-only scenario.

If you have any questions, please do not hesitate to call me at (202) 887-2017. Please include this correspondence in the public record of the above-captioned proceeding.

Very truly yours,



Donna M. Roberts

cc: Susan E. McMaster, Ph.D.
Jeannie Su, Esquire
Melinda S. Littell, Esquire